



**NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
Senate Bill 99**

S99-ASTf-83 [v.2]

AMENDMENT NO. \_\_\_\_\_  
(to be filled in by  
Principal Clerk)

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Amends Title [YES]  
First Edition

Date \_\_\_\_\_, 2023

Senator Johnson

moves to amend the bill on page 1, lines 2-4, by rewriting those lines to read:

"AN ACT TO INCREASE THE TRANSPARENCY OF BOND REFERENDUMS BY  
REQUIRING ADDITIONAL DISCLOSURES ON BOND APPLICATIONS, THE ORDER  
APPROVING THE BOND APPLICATION, AND ON THE BALLOT; TO INCREASE  
THE TRANSPARENCY OF BOND REFERENDUMS BY REQUIRING THE AMOUNT  
OF PROPERTY TAX INCREASE ON THE BALLOT QUESTION IF KNOWN AND  
ADDITIONAL POSTING OF BOND ORDERS; AND TO REQUIRE THE LOCAL  
GOVERNMENT COMMISSION TO MAINTAIN A DATABASE OF PROPOSED BOND  
ISSUE APPROVED BY THE COMMISSION.";

and on page 1, line 6, through page 2, line 39, by rewriting those lines to read:

**"SECTION 1.** G.S. 159-61(d) reads as rewritten:

"(d) The form of the question as stated on the ballot shall be in substantially the following words:

"~~Shall~~ Additional property taxes may be levied on property located in (name of unit of local government) in an amount sufficient to pay the principal of and interest on bonds if approved by the following ballot question. Shall the order authorizing \$ \_\_\_\_\_ bonds plus interest for (briefly stating the purpose) and providing that additional taxes may be levied in an amount sufficient to pay the principal of and interest on the bonds be ~~approved~~ approved, in light of the following:

(1) The estimated cumulative cost over the life of the bond, using the highest interest rate charged for similar debt over the last (maximum bond issuance term), would be (\$ \_\_\_\_\_).

(2) The amount of property tax liability increase for each one hundred thousand dollars (\$100,000) of property tax value to service the cumulative cost over the life of the bond provided above would be (\$ \_\_\_\_\_) per year.

[ ] YES

[ ] NO""

**SECTION 2.** G.S. 159-51 reads as rewritten:

**"§ 159-51. Application to Commission for approval of bond issue; preliminary conference; acceptance of application.**

No bonds may be issued under this Article unless the issue is approved by the Local Government Commission. The governing board of the issuing unit shall file an application for



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Commission approval of the issue with the secretary of the Commission. If the issuing unit is a regional public transportation authority, the application must be accompanied by resolutions of the special tax board of that authority and of each of the boards of county commissioners of the counties organizing the authority approving of the application. The application shall state ~~such~~ the facts and have attached to it ~~such the~~ documents concerning the proposed bonds and the financial condition of the issuing ~~unit as~~ unit, including the disclosures required by G.S. 159-52(c) and any additional information the secretary may require. The Commission may prescribe the form of the application.

Before he accepts the application, the secretary may require the governing board or its representatives to attend a preliminary conference to consider the proposed bond issue. If the issuing unit is a merged school administrative unit described in G.S. 115C-513, each county in which the merged unit is located may attend the preliminary conference.

After an application in proper form has been filed, and after a preliminary conference if one is required, the secretary shall notify the unit in writing that the application has been filed and accepted for submission to the Commission. The secretary's statement shall be conclusive evidence that the unit has complied with this section."

**SECTION 3.** G.S. 159-52 reads as rewritten:

**"§ 159-52. Approval of application by Commission.**

...

(c) If the Commission approves the application, the Commission shall include all of the following disclosures in the order approving the application:

(1) The total amount of interest estimated to result from the proposed bond using the highest interest rate charged when looking at the immediately preceding years for a term equal to the maximum issue term of the proposed bond.

(2) The unit's increase in property tax liability for each one hundred thousand dollars (\$100,000) of property tax value necessary to service the debt.

(3) A notice that, pursuant to G.S. 159-49, the unit may issue, without a vote, additional general obligation debt in an amount of up to two-thirds of the amount of the proposed bond as the debt is retired. This notice shall include a calculation of that amount.

(d) The order approving the application shall be posted online via all of the following:

(1) The website of the Commission.

(2) The website of the unit of local government.

(3) The website of the appropriate county board or boards of election for the unit of local government.

(e) If the Commission tentatively decides to deny the application because it is of the opinion that any one or more of these conclusions cannot be supported from the information presented to it, it shall so notify the unit filing the application. If the unit so requests, the Commission shall hold a public hearing on the application at which time any interested persons shall be heard. The Commission may appoint a hearing officer to conduct the hearing, and to present a summary of the testimony and his recommendations for the Commission's consideration."

**SECTION 4.** G.S. 159-53 reads as rewritten:

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**"§ 159-53. Order approving or disapproving an application.**

(a) After considering an application, and conducting a public hearing thereon if one is requested under ~~G.S. 159-52(b)~~, G.S. 159-52, the Commission shall enter its order either approving or denying the application. An order approving an issue shall not be regarded as an approval of the legality of the bonds in any respect.

...."

**SECTION 5.(a)** G.S. 159-55 is amended by adding two new subsections to read:

"(e) Before the public hearing on the bond order, the finance officer (or some other officer designated by the governing board for this purpose) shall file with the clerk a summary sheet containing all of the following information:

(1) The current financial state of the unit of local government, including any outstanding bonds held by the unit of local government.

(2) The information required by G.S. 159-55.1 for the statement of disclosure.

(3) The amount of debt that may be issued over (maximum bond issuance term) years, and the interest charged for similar debt over the last (same period of time in years) was (provide applicable range).

(4) The information required by this section.

(f) The summary sheet filed in accordance with subsection (e) of this section shall be included in the minutes for the governing board and on posted online via all of the following:

(1) The website of the Commission.

(2) The website of the unit of local government.

(3) The website of the appropriate county board or boards of election for the unit of local government."

**SECTION 5.(b)** G.S. 159-55.1(c) reads as rewritten:

"(c) The statement of disclosure shall be filed with the ~~Commission, posted online,~~ Commission and maintained by the clerk of the board. The statement of disclosure shall be posted online via all of the following:

(1) The website of the Commission.

(2) The website of the unit of local government.

(3) The website of the appropriate county board or boards of election for the unit of local government."

**SECTION 5.(c)** G.S. 159-56 reads as rewritten:

**"§ 159-56. Publication of bond order as introduced.**

(a) After the introduction of the bond order, the clerk shall publish it once with the following statement appended:

"The foregoing order has been introduced and a sworn statement of debt has been filed under the Local Government Bond Act showing the appraised value of the [issuing unit] to be \$\_\_\_\_\_ and the net debt thereof, including the proposed bonds, to be \$\_\_\_\_\_. The finance officer of the [issuing unit] has filed a statement estimating that the total amount of interest that will be paid on the bonds over the expected term of the bonds, if issued, is \$\_\_\_\_\_. A tax is authorized to be levied to pay the principal of and interest on the bonds if they are issued. The finance officer has filed a statement estimating that [a property tax increase of \$\_\_\_\_\_ per \$100.00 of assessed valuation] [no property tax increase] will be required to provide sufficient funds to pay the

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principal and interest on the proposed bonds. These estimates are preliminary, are for general informational purposes only, and may differ from the actual interest paid on the bonds or the actual property tax increases required to provide sufficient funds to pay the principal and interest on the bonds. Anyone who wishes to be heard on the questions of the validity of the bond order and the advisability of issuing the bonds may appear at a public hearing or an adjournment thereof to be held at \_\_\_\_\_.

Clerk"

(b) The publication may include a summary of the assumptions upon which the estimates of the total amount of interest that will be paid on the bonds over the expected term of the bonds if issued, or the amount of any property tax increase required to provide funds to pay principal and interest on the bonds if issued, are based, and may further state that there is no assurance that the circumstances included in the assumptions will occur, that the occurrence of certain of the assumptions is beyond the control of the issuing unit, and that differences between the actual circumstances at the time the bonds are issued from the assumptions included in the estimates could result in significant differences between the estimated interest and the actual interest on the bonds or the actual property tax increases required to provide sufficient funds to pay the principal and interest on the bonds. The statement may include additional qualifications as the unit deems appropriate. The validity of bonds authorized to be issued pursuant to this act is not subject to challenge on the grounds that the actual interest cost of the bonds when issued, or the actual property tax increases required to provide sufficient funds to pay the principal and interest on the bonds when issued, is different than the amount set forth in the estimates referenced in the publication of the bond order as introduced.

(c) The publication provided for in this section shall be posted online via all of the following:

- (1) The website of the Commission.
- (2) The website of the unit of local government.
- (3) The website of the appropriate county board or boards of election for the unit of local government."

**SECTION 5.(d)** G.S. 159-58 reads as rewritten:

**"§ 159-58. Publication of bond order as adopted.**

(a) After adoption, the clerk shall publish the bond order once, with the following statement appended:

"The foregoing order was adopted on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and is hereby published this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_. Any action or proceeding questioning the validity of the order must be begun within 30 days after the date of publication of this notice. The finance officer of the [issuing unit] has filed a statement estimating that the total amount of interest that will be paid on the bonds over the expected term of the bonds, if issued, is \$\_\_\_\_\_. A tax is authorized to be levied to pay the principal and interest on the bonds if they are issued. The finance officer has filed a statement estimating that [a property tax increase of \$\_\_\_\_\_ per \$100.00 of assessed valuation] [no property tax increase] will be required to provide sufficient funds to pay the principal and interest on the proposed bonds. These estimates are preliminary,

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1 are for general informational purposes only, and may differ from the actual interest paid on the  
2 bonds or the actual property tax increases required to provide sufficient funds to pay the principal  
3 and interest on the bonds.  
4

Clerk"

5  
6  
7 (b) The publication may include a summary of the assumptions upon which the estimates  
8 of the total amount of interest that will be paid on the bonds over the expected term of the bonds  
9 if issued, or the amount of any property tax increase required to provide sufficient funds to pay  
10 the principal and interest on the bonds if issued, are based, and may further state that there is no  
11 assurance that the circumstances included in the assumptions will occur, that the occurrence of  
12 certain of the assumptions is beyond the control of the issuing unit, and that differences between  
13 the actual circumstances at the time the bonds are issued from the assumptions included in the  
14 estimates could result in significant differences between the estimated interest and the actual  
15 interest on the bonds or the actual property tax increases required to provide sufficient funds to  
16 pay the principal and interest on the bonds. The statement may include such additional  
17 qualifications as the unit deems appropriate. The validity of bonds authorized to be issued  
18 pursuant to this act is not subject to challenge on the grounds that the actual interest cost of the  
19 bonds when issued, or the actual property tax increases required to provide sufficient funds to  
20 pay the principal and interest on the bonds when issued, is different than the amount set forth in  
21 the estimates referenced in the publication of the bond order as adopted.

22 (c) The publication provided for in this section shall be posted online on all of the  
23 following:

- 24 (1) The website of the Commission.  
25 (2) The website of the unit of local government.  
26 (3) The website of the appropriate county board or boards of election for the unit  
27 of local government."

28 **SECTION 6.(a)** The Local Government Commission shall establish an online  
29 database that makes publicly available a searchable listing of all proposed bond issue approved  
30 by the Commission. The database shall contain the following information:

- 31 (1) The summary sheet as provided for in G.S. 159-55(e).  
32 (2) The ballot question as provided for in G.S. 159-61.  
33 (3) A statement of the result of the ballot question once certified by the  
34 appropriate board of elections.

35 **SECTION 6.(b)** This section becomes effective January 1, 2024.

36 **SECTION 7.** G.S. 69-25.1 reads as rewritten:

37 **"§ 69-25.1. Election to be held upon petition of voters.**

38 (a) Upon the petition of thirty-five percent (35%) of the resident freeholders living in an  
39 area lying outside the corporate limits of any city or town, which area is described in the petition  
40 and designated as "\_\_\_\_\_ Fire District," the board of county commissioners of

41 (Here insert name)

42 the county shall call a special election in said district for the purpose of submitting to the qualified  
43 voters therein the question of levying and collecting a special tax on all taxable property in said

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1 district, of not exceeding fifteen cents (15¢) on the one hundred dollars (\$100.00) valuation of  
2 property, for the purpose of providing fire protection in said district. The ballot question shall  
3 specify that the maximum tax rate authorized shall be fifteen cents (15¢) on the one hundred  
4 dollars (\$100.00) valuation of property and the first proposed fire tax rate, if any is proposed.  
5 The county tax office shall be responsible for checking the freeholder status of those individuals  
6 signing the petition and confirming the location of the property owned by those individuals.  
7 Unless specifically excluded by other law, the provisions of Chapter 163 of the General Statutes  
8 concerning petitions for referenda and special elections shall apply.

9 (b) If the voters reject the special tax under ~~the first paragraph~~ subsection (a) of this  
10 section, then no new election may be held under the first paragraph of this section within two  
11 years on the question of levying and collecting a special tax under the first paragraph of this  
12 section in that district, or in any proposed district which includes a majority of the land within  
13 the district in which the tax was rejected.

14 (c) Upon the petition of thirty-five percent (35%) of the resident freeholders living in an  
15 area which has previously been established as a fire protection district and in which there has  
16 been authorized by a vote of the people a special tax not exceeding ten cents (10¢) on the one  
17 hundred dollars (\$100.00) valuation of property within the area, the board of county  
18 commissioners shall call a special election in said area for the purpose of submitting to the  
19 qualified voters therein the question of increasing the allowable special tax for fire protection  
20 within said district from ten cents (10¢) on the one hundred dollars (\$100.00) valuation to fifteen  
21 cents (15¢) on the one hundred dollars (\$100.00) valuation on all taxable property within such  
22 district. Special elections on the question of increasing the allowable tax rate for fire protection  
23 shall not be held within the same district at intervals less than two years."

24 **SECTION 8.** Except as otherwise provided, this act becomes effective December  
25 31, 2023, and applies to bonds proposed on or after that date."  
26

SIGNED \_\_\_\_\_  
Amendment Sponsor

SIGNED \_\_\_\_\_  
Committee Chair if Senate Committee Amendment

ADOPTED \_\_\_\_\_ FAILED \_\_\_\_\_ TABLED \_\_\_\_\_